

# HRSC East Employee Benefits Update

## Civil Service Retirement System (CSRS) Redeposit Service

For retirement purposes, CSRS redeposit service is civilian service for which CSRS retirement deductions were withheld, but refunded to the employee after a separation from Federal service.

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### HOW REDEPOSIT SERVICE PERFORMED PRIOR TO 1 OCTOBER 1990 IS CREDITED TOWARD CSRS OPTIONAL RETIREMENT

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If you have service performed prior to 1 October 1990 for which you received a refund of retirement deductions and make a redeposit:

1. The service is fully creditable for meeting the length of service requirements for retirement eligibility; and
2. The service will be used to determine your retirement annuity.

If you have service performed prior to 1 October 1990 for which you received a refund of retirement deductions and do not make a redeposit:

1. The service is fully creditable for meeting the length of service requirements for retirement eligibility, but
2. The retirement annuity will be actuarially reduced based on the amount of redeposit that you owe and your age at retirement. The actuarial reduction affects only your retirement annuity. Full benefits are payable to your survivors.

To determine the amount of the actuarial reduction, divide the amount of redeposit due at the time of retirement by the present value factor for the retiree's age at the time of retirement.

**Example:** If the amount of redeposit owed is \$7,000 and the retiree's age is 55, the present value factor would be 208.5 (from the present value chart). The amount that the annuity would be reduced is \$34 per month or \$396 per year.

$$\frac{\text{Redeposit owed}}{\text{Actuarial factor}} = \frac{\$7,000}{208.5} = \$33.57 \text{ per month reduction}$$